GOVERNMENT OF INDIA
PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:2819
ANSWERED ON:02.08.2017
Fixation of Pension
P. Shri Nagarajan;Sawaikar Shri Advocate Narendra Keshav

Will the Minister of PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether some anomalies came to the notice of the Government with regard to the fixation of pension following the implementation of the 7th Pay Commission recommendations and if so, the details thereof;
(b) whether it is also a fact that a committee set up by the Government to settle the anomaly has submitted its report;
(c) if so, the details thereof and the reaction of the Government thereon;
(d) the total number of pensioners getting pension from Union Government and the time by which the pensioners are likely to be paid their arrears; and
(e) whether the Government has any proposal to create a separate oraganization for pension related issues and if so, the details thereof along with the time-frame for setting up such organization?

Answer

Minister of State in the Ministry of Personnel, Public Grievances and Pensions and Minister of State in the Prime Minister's Office. (DR. JITENDRA SINGH)

(a)to(c): In implementation of Government"s decision on the recommendation of the Seventh Central Pay Commission (7th CPC), orders have been issued vide Department of Pension & Pensioners' Welfare O.M. No. 38/37/16-P&PW(A) (i) dated 04.08.2016 for revision of provisions regulating pension/gratuity/ commutation of pension/family pension/disability pension/ex-gratia lump-sum compensation, etc. in respect of the employees retiring on or after 01.01.2016.

For revision of pension of pre-2016 civil pensioners, the 7th CPC recommended the following two formulations:

(i) Notional Pay of employees who retired prior to 01.01.2016 may be fixed in the Pay Matrix on the basis of the Pay Band and Grade Pay at which they retired, by adding the number of increments he/ she had earned in that level while in service, to the minimum of the corresponding level in the matrix. Fifty percent of the total amount so arrived at shall be the revised pension.

(ii) The pension, as had been fixed at the time of implementation of the 6th CPC recommendations, may be multiplied by 2.57 to arrive at an alternate value for the revised pension.
Contdâ€¦2/-

7th CPC recommended that the pensioners may be given the option of choosing the formulation which is more beneficial to them. Orders were issued for revision of pension as per Formulation (ii) above vide Department of Pension & Pensioners' Welfare O.M. No. 38/37/16-P&PW(A) (ii) dated 04.08.2016 and the pension disbursing authorities were advised to make payment of revised pension accordingly without waiting for the revised pension payment authority. A Committee under the chairmanship of Secretary, Department of Pension & Pensioners' Welfare was constituted to examine the feasibility of Formulation (i). The Committee observed that Formulation (i) as recommended by the 7th CPC might be difficult to implement in a large number of cases and this method may also cause anomalies.

In implementation of the recommendations of the aforesaid Committee, orders have been issued vide Department of Pension & Pensioners' Welfare O.M. No. 38/37/16-P&PW(A) dated 12.05.2017. It has been provided that the revised pension/family pension w.e.f. 01.01.2016 in respect of all Central civil pensioners/family pensioners may be revised by notionally fixing their pay in the pay matrix recommended by the 7th CPC in the level corresponding to the pay in the pay scale/pay band and grade pay at which they retired/died by notional pay fixation under each intervening Pay Commission based on the Formula for revision of pay. 50% of the notional pay as on 01.01.2016 shall be the revised pension and 30% of this notional pay shall be the revised family pension w.e.f. 1.1.2016. Higher of the two Formulations i.e. the pension/family pension already revised in accordance with this Department's OM dated 04.08.2016 or the revised pension/family pension as worked out by notional pay fixation method, shall be the revised pension/family pension w.e.f. 01.01.2016.

(d): There were around 55.51 lakh pensioners/family pensioners (including defence pensioners/family pensioners) as on 31.03.2016. All Pension Sanctioning Authorities have been advised to accord top priority to the work of revision of pension and issue revised Pension Payment Authority in implementation of the above orders expeditiously.

(e): There is no proposal for creation of any other organisation for pension related issues.

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